# SENATE BILL NO. 96

.

# INTRODUCED BY GAGE

# IN THE SENATE

January 12, 1985	Introduced and referred to Committee on Business and Industry.
January 18, 1985	Committee recommend bill do pass as amended. Report adopted.
January 19, 1985	Bill printed and placed on members' desks.
January 21, 1985	Second reading, do pass.
January 22, 1985	Considered correctly engrossed.
January 23, 1985	Third reading, passed. Ayes, 49; Noes, 0.
	Transmitted to House.
IN THE	HOUSE
January 24, 1985	Introduced and referred to Committee on Natural Resources.
March 21, 1985	Committee recommend bill be concurred in. Report adopted.
March 23, 1985	Second reading, concurred in.
March 25, 1985	Third reading, concurred in.
	Returned to Senate.
IN THE	SENATE
March 25, 1985	Received from House.
March 26, 1985	Sent to enrolling.
	Reported correctly enrolled.

ŝ,

LC 0390/01

INTRODUCED BY 1 2 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE LAWS PERTAINING TO SEISMIC EXPLORATION APPLY TO EXPLORATION 5 6 DONE BY MEANS OF NONEXPLOSIVES AS WELL AS EXPLORATION DONE 7 BY MEANS OF EXPLOSIVES; TO INCREASE FROM 10 TO 30 DAYS THE TIME REQUIRED TO RESPOND TO A COUNTY CLERK AND RECORDER'S 8 REQUEST FOR A RECORD OF OPERATIONS; AMENDING SECTIONS 9 10 82-1-101, 82-1-104, 82-1-107, 82-1-108, AND 82-11-122, MCA."

11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 82-1-101, MCA, is amended to read: 13 14 "82-1-101. Persons required to comply. (1) A person, firm, or corporation operating individually or through 15 agents within the state of Montana for the purpose of 16 geophysical seismic exploration in which exploration the 17 seismograph--is-utilized-along-with-explosives entry is made 18 upon the surface estate for the determination acquisition of 19 20 geophysical data for any purpose whatsoever, and which 21 person, firm, or corporation either through its own 22 employees or by hiring the services of others operates 23 "seismograph crews", as the term is generally known, shall comply with the following provisions of this part; provided, 24 25 however, that compliance with the provisions of this part by



a seismograph crew or its employer shall constitute
 compliance herewith by that person, firm, or corporation who
 has engaged the services of such crew or its employer as an
 independent contractor insofar as the geophysical operations
 of such crew are concerned.

6 (2) The board of oil and gas conservation shall adopt 7 rules requiring adequate identification of geophysical 8 <u>seismic</u> exploration crews operating in this state and 9 designating areas where geophysical <u>seismic</u> exploration and 10 activities may not be allowed."

11 Section 2. Section 82-1-104, MCA, is amended to read: 12 "82-1-104. Surety bond -- restoration of surface. (1) A Prior to performing such seismic activity, a person, firm, 13 14 or corporation desiring--to--engage--in--such--geophysical 15 exploration shall also file with the secretary of state a 16 good and sufficient surety bond in the amount of \$10,000 for a single such geophysical seismic crew or a blanket surety 17 18 bond in the amount of \$25,000 for all such geophysical seismic crews operating within the state for such person, 19 20 firm, or corporation, which bond shall indemnify the owners of property within this state against such physical damages 21 22 to such property as may arise as the result of such 23 geophysical seismic exploration. Partial or complete forfeiture of the bond must be determined by the appropriate 24 court of civil jurisdiction. 25

> -2- INTRODUCED BILL SB 96

1 (2) Unless otherwise agreed as between the owner of the surface and such person, firm, or corporation, it shall 2 be the obligation of such person, firm, or corporation upon 3 completion of exploration to plug all "shot holes" in such 4 5 a manner as shall be specified by the board of oil and gas 6 conservation to contain any water within its native strata 7 by filling the hole with bentonite mud, or cement, or other material approved by the board of oil and gas conservation 8 9 as required to contain the water and capping the same in a manner and with a material specified by the board, the top 10 of which cap shall be of sufficient depth below the surface 11 of the land to allow cultivation. The portion of the hole 12 13 above the cap shall be filled with native material.

14 (3) The Upon completion of any seismic exploration, 15 the person, firm, or corporation shall remove all stakes, 16 markers, cables, ropes, wires, and debris or other material 17 used in such exploration and shall also restore the surface 18 around the same any shot holes as near as practicable to its 19 original condition.

20 (3)(4) The bond shall remain on file with the 21 secretary of state so long as the exploration is carried on 22 or engaged in, plus an additional 5 years thereafter; 23 provided, however, that the aggregate liability of the 24 surety shall in no event exceed the amount of said bond. 25 Upon the filing of such bond, said secretary of state shall

issue to the person, firm, or corporation a certificate 1 2 showing that such bond has been filed and showing the name З of the designated resident agent within the state for service of process for such person, firm, or corporation." 4 Section 3. Section 82-1-107, MCA, is amended to read: 5 "82-1-107. Permit holder to furnish information to 6 7 surface user. (1) Before commencing geophysical seismic activity, the person, firm, or corporation shall notify the 8 9 surface user as to the approximate time schedule of the 10 planned activity, and upon request the following information shall also be furnished: 11 (1) the name and permanent address of 12 the

12 (17)(a) the name and permahent address of the 13 geophysical <u>seismic</u> exploration firm, along with the name 14 and address of the firm's designated agent for the state if 15 different from that of the firm's;

16 (2)(b) evidence of a valid permit to engage in
17 geophysical seismic exploration;

18 (3)(c) name and address of the company insuring the
 19 geophysical seismic firm or, if self-insured, evidence of
 20 such self-insurance;

21 (4)(d) the number of the bond required in 82-1-104;

22 (5)(e) a description of the-surface--areas--where the 23 planned geophysical seismic activity and where it will take 24 place;

25 (6)(f) anticipated need, if any, to obtain water from

LC 0390/01

-3-

1 the surface user during planned geophysical seismic
2 activity.

3 (2) The surface user is responsible for providing the 4 permitholder with the name and permanent address of a 5 responsible person with whom communication may be 6 maintained."

7 Section 4. Section 82-1-108, MCA, is amended to read: 8 "82-1-108. Filing record of work performed. (1) Within 9. 3 months from the day any firing of shotpoints in 10 geophysical seismic exploration is done by any person, firm, 11 or corporation within this state, such person, firm, or 12 corporation shall file with the county clerk and recorder of 13 the county in which the work was done a record showing each 14 township and range within the county in which the work was 15 performed and the approximate date on which the work was 16 performed.

17 (2) Such person, firm, or corporation shall file with 18 the county clerk and recorder a record showing the location 19 of each shotpoint and date fired within a maximum area of any square, 4-section area of land, upon written request of 20 21 the county clerk and recorder. The request must be based upon the complaint of a property owner that physical damage 22 23 to his property has resulted from the use of the seismograph 24 and explosives in geophysical seismic operations at some 25 location within the maximum 4-square mile area, and the

LC 0390/01

1 request shall designate the name and address of the 2 complaining person and the approximate date and nature of 3 the alleged damages. The required record of operations in 4 response to the request of the county clerk and recorder 5 shall be supplied within ±0 <u>30</u> days from the date on which 6 the request is received."

Section 5. Section 82-11-122, MCA, is amended to read: 7 8 "82-11-122. Notice of intention to drill or conduct seismic operations. It is unlawful to commence the drilling 9 10 of a well for oil or gas without first filing with the board written notice of intention to drill and obtaining a 11 drilling permit as provided in 82-11-134. It is unlawful to 12 13 conduct seismic explorations with-explosives without first 14 giving the board a copy of the notice of intention to explore filed with the county under 82-1-103." 15

-End-

-5-

-6-

#### 49th Legislature

#### SB 0096/02

1

2

3

APPROVED BY COMM. ON BUSINESS AND LABOR

### SENATE BILL NO. 96 INTRODUCED BY GAGE

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE 4 S LAWS PERTAINING TO SEISMIC EXPLORATION APPLY TO EXPLORATION DONE BY MEANS OF NONEXPLOSIVES AS WELL AS EXPLORATION DONE 6 BY MEANS OF EXPLOSIVES; TO INCREASE FROM 10 TO 30 DAYS THE 7 TIME REQUIRED TO RESPOND TO A COUNTY CLERK AND RECORDER'S 8 REQUEST FOR A RECORD OF OPERATIONS; AMENDING SECTIONS 9 82-1-101, 82-1-104, 82-1-107, 82-1-108, AND 82-11-122, MCA." 10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 82-1-101, MCA, is amended to read: 13 "82-1-101. Persons required to comply. (1) A person, 14 firm, or corporation operating individually or through 15 agents within the state of Montana for the purpose of 16 geophysical seismic exploration in which exploration the 17 seismograph--is-utilized-along-with-explosives entry is made 18 upon the surface estate for the determination acquisition of 19 geophysical data for any purpose whatsoever, and which 20 firm, or corporation either through its own 21 person, employees or by hiring the services of others operates 22 23 "seismograph crews", as the term is generally known, shall comply with the following provisions of this part; provided, 24 however, that compliance with the provisions of this part by 25

Montana Legislative Council

SB 0096/02

a seismograph crew or its employer shall constitute 1 compliance herewith by that person, firm, or corporation who 2 has engaged the services of such crew or its employer as an 3 independent contractor insofar as the geophysical operations 4 5 of such crew are concerned.

(2) The board of oil and gas conservation shall adopt 6 7 rules requiring adequate identification of geophysical 8 seismic exploration crews operating in this state and designating areas where geophysical seismic exploration and q 10 activities may not be allowed."

Section 2. Section 82-1-104, MCA, is amended to read: 11 12 "82-1-104. Surety bond -- restoration of surface. (1) A Prior to performing such seismic activity, a person, firm, 13 or corporation desiring--to--engage--in--such--geophysical 14 exploration shall also file with the secretary of state a 15 good and sufficient surety bond in the amount of \$10,000 for 16 17 a single such geophysical seismic crew or a blanket surety 18 bond in the amount of \$25,000 for all such geophysical seismic crews operating within the state for such person, 19 firm, or corporation, which bond shall indemnify the owners 20 of property within this state against such physical damages 21 22 to such property as may arise as the result of such geophysical seismic exploration. Partial or complete 23 24 forfeiture of the bond must be determined by the appropriate 25 court of civil jurisdiction.

-2-

SB 96 SECOND READING

1 (2) Unless otherwise agreed as between the owner of 2 the surface and such person, firm, or corporation, it shall be the obligation of such person, firm, or corporation upon 3 completion of exploration to plug all "shot holes" in such 4 a manner as shall be specified by the board of oil and gas 5 conservation to contain any water within its native strata 6 by filling the hole with bentonite mud, or cement, or other 7 8 material approved by the board of oil and gas conservation 9 as required to contain the water and capping the same in a manner and with a material specified by the board, the top 10 of which cap shall be of sufficient depth below the surface 11 of the land to allow cultivation. The portion of the hole 12 13 above the cap shall be filled with native material.

(3) The Upon completion of any seismic exploration, 14 the person, firm, or corporation shall remove all stakes, 15 16 markers, cables, ropes, wires, and debris or other material 17 used in such exploration and shall also restore the surface around the-same any shot holes as near as practicable to its 18 19 original condition.

(3)(4) The bond shall remain on file with the 20 21 secretary of state so long as the exploration is carried on or engaged in, plus an additional 5 years thereafter; 22 provided, however, that the aggregate liability of the 23 surety shall in no event exceed the amount of said bond. 24 25 Upon the filing of such bond, said secretary of state shall

- 3 -

SB 96

21

issue to the person, firm, or corporation a certificate 1 showing that such bond has been filed and showing the name 2 of the designated resident agent within the state for З service of process for such person, firm, or corporation." 4 Section 3. Section 82-1-107, MCA, is amended to read: 5 "82-1-107. Permit holder to furnish information to 6 surface user. (1) Before commencing geophysical seismic 7 activity, the person, firm, or corporation shall notify the 8 surface user as to the approximate time schedule of the 9 planned activity, and upon request the following information 10 11 shall also be furnished: the

12 fit(a) the name and permanent address of geophysical seismic exploration firm, along with the name 13 and address of the firm's designated agent for the state if 14 different from that of the firm's; 15

(2)(b) evidence of a valid permit to engage in 16 17 geophysical seismic exploration;

(3)(c) name and address of the company insuring the 18 19 geophysical seismic firm or, if self-insured, evidence of 20 such self-insurance;

(4)(d) the number of the bond required in 82-1-104; (5)(e) a description of the-surface--areas--where the 22 planned geophysical seismic activity and where it will take 23 24 place;

25 (f) anticipated need, if any, to obtain water from

-4-

SB 0096/02

1 the surface user during planned geophysical seismic 2 activity.

3 (2) The surface user is responsible for providing the 4 permitholder with the name and permanent address of a 5 responsible person with whom communication may be 6 maintained."

Section 4. Section 82-1-108, MCA, is amended to read: 7 "82-1-108. Filing record of work performed. (1) Within 8 3 months from the day any firing of shotpoints in 9 geophysical seismic exploration is done by any person, firm, 10 or corporation within this state, such person, firm, or 11 corporation shall file with the county clerk and recorder of 12 the county in which the work was done a record showing each 13 township and range within the county in which the work was 14 performed and the approximate date on which the work was 15 performed. 16

(2) Such person, firm, or corporation shall file with 17 the county clerk and recorder a record showing the location 18 of each shotpoint and date fired within a maximum area of 19 any square, 4-section area of land, upon written request of 20 county clerk and recorder. The request must be based 21 the upon the complaint of a property owner that physical damage 22 to his property has resulted from the use of the seismograph 23 and explosives in geophysical seismic operations at some 24 location within the maximum 4-square mile area, and the 25

1 request shall designate the name and address of the 2 complaining person and the approximate date and nature of 3 the alleged damages. The required record of operations in 4 response to the request of the county clerk and recorder 5 shall be supplied within  $\frac{10}{30}$  days from the date on which 6 the request is received."

7 Section 5. Section 82-11-122, MCA, is amended to read: "82-11-122. Notice of intention to drill or conduct 8 seismic operations. It is unlawful to commence the drilling 9 of a well for oil or gas without first filing with the board 10 written notice of intention to drill and obtaining a 11 12 drilling permit as provided in 82-11-134. It is unlawful to conduct seismic explorations with-explosives without first 13 14 giving the board a copy of the notice of intention to explore filed with the county under 82-1-103." 15

16 NEW SECTION. SECTION 6. EXTENSION OF AUTHORITY. ANY

17 EXISTING AUTHORITY OF THE BOARD OF OIL AND GAS CONSERVATION

18 TO MAKE RULES ON THE SUBJECT OF THE PROVISIONS OF THIS ACT

19 IS EXTENDED TO THE PROVISIONS OF THIS ACT.

-End-

-5-

SB 96

-6-

SB 0096/02

SENATE BILL NO. 96 1 INTRODUCED BY GAGE 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE 4 5 LAWS PERTAINING TO SEISMIC EXPLORATION APPLY TO EXPLORATION DONE BY MEANS OF NONEXPLOSIVES AS WELL AS EXPLORATION DONE 6 BY MEANS OF EXPLOSIVES; TO INCREASE FROM 10 TO 30 DAYS THE 7 TIME REQUIRED TO RESPOND TO A COUNTY CLERK AND RECORDER'S 8 REQUEST FOR A RECORD OF OPERATIONS; AMENDING SECTIONS 9 82-1-101, 82-1-104, 82-1-107, 82-1-108, AND 82-11-122, MCA." 10 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 82-1-101, MCA, is amended to read: 13 "82-1-101. Persons required to comply. (1) A person, 14 firm, or corporation operating individually or through 15 agents within the state of Montana for the purpose of 16 17 geophysical seismic exploration in which exploration the 16 seismograph--is-utilized-along-with-explosives entry is made upon the surface estate for the determination acquisition of 19 geophysical data for any purpose whatsoever, and which 20 person, firm, or corporation either through its own 21 employees or by hiring the services of others operates 22 23 "seismograph crews", as the term is generally known, shall 24 comply with the following provisions of this part; provided, however, that compliance with the provisions of this part by 25

SB 0096/02

a seismograph crew or its employer shall constitute
 compliance herewith by that person, firm, or corporation who
 has engaged the services of such crew or its employer as an
 independent contractor insofar as the geophysical operations
 of such crew are concerned.

6 {2} The board of oil and gas conservation shall adopt
7 rules requiring adequate identification of geophysical
8 seismic exploration crews operating in this state and
9 designating areas where geophysical seismic exploration and
10 activities may not be allowed."

11 Section 2. Section 82-1-104, MCA, is amended to read:

12 "82-1-104. Surety bond -- restoration of surface. (1) A Prior to performing such seismic activity, a person, firm, 13 14 or corporation desiring--to--engage--in--such--geophysical exploration shall also file with the secretary of state a 15 good and sufficient surety bond in the amount of \$10,000 for 16 a single such geophysical seismic crew or a blanket surety 17 18 bond in the amount of \$25,000 for all such geophysical seismic crews operating within the state for such person, 19 20 firm, or corporation, which bond shall indemnify the owners of property within this state against such physical damages 21 to such property as may arise as the result of such 22 23 geophysical seismic exploration. Partial or complete 24 forfeiture of the bond must be determined by the appropriate court of civil jurisdiction. 25

-2-

(2) Unless otherwise agreed as between the owner of 1 the surface and such person, firm, or corporation, it shall 2 he the obligation of such person, firm, or corporation upon 3 completion of exploration to plug all "shot holes" in such 4 a manner as shall be specified by the board of oil and gas 5 conservation to contain any water within its native strata 6 by filling the hole with bentonite mud, or cement, or other 7 material approved by the board of oil and gas conservation 8 9 as required to contain the water and capping the same in a manner and with a material specified by the board, the top 10 of which cap shall be of sufficient depth below the surface 11 12 of the land to allow cultivation. The portion of the hole above the cap shall be filled with native material. 13

14 <u>(3)</u> The Upon completion of any seismic exploration, 15 <u>the</u> person, firm, or corporation shall <u>remove all stakes</u>, 16 <u>markers</u>, <u>cables</u>, <u>ropes</u>, <u>wires</u>, <u>and debris or other material</u> 17 <u>used in such exploration and shall</u> also restore the surface 18 around the <u>same any shot holes</u> as near as practicable to its 19 original condition.

(3)(4) The bond shall remain on file with the
secretary of state so long as the exploration is carried on
or engaged in, plus an additional 5 years thereafter;
provided, however, that the aggregate liability of the
surety shall in no event exceed the amount of said bond.
Upon the filing of such bond, said secretary of state shall

-3-

SB 96

25

1 issue to the person, firm, or corporation a certificate showing that such bond has been filed and showing the name 2 of the designated resident agent within the state for 3 service of process for such person, firm, or corporation." Δ Section 3. Section 82-1-107, MCA, is amended to read: 5 6 "82-1-107. Permit holder to furnish information to surface user. (1) Before commencing geophysical seismic 7 8 activity, the person, firm, or corporation shall notify the surface user as to the approximate time schedule of the 9 planned activity, and upon request the following information 10 shall also be furnished: 11

12 (i)(a) the name and permanent address of the 13 geophysical seismic exploration firm, along with the name 14 and address of the firm's designated agent for the state if 15 different from that of the firm's;

16 <u>t2}(b)</u> evidence of a valid permit to engage in 17 geophysical seismic exploration;

18 (3)(c) name and address of the company insuring the
 geophysical seismic firm or, if self-insured, evidence of
 such self-insurance;

21 (4)(d) the number of the bond required in 82-1-104;
22 (5)(e) a description of the-surface--areas--where the

23 planned geophysical seismic activity and where it will take 24 place;

(6)(f) anticipated need, if any, to obtain water from

-4-

#### SB.0096/02

surface user during planned geophysical seismic 1 the activity. 2 (2) The surface user is responsible for providing the 3 permitholder with the name and permanent address of a 4 responsible person with whom communication may be 5 maintained." б Section 4. Section 82-1-108, MCA, is amended to read: 7 "82-1-108. Filing record of work performed. (1) Within 8 3 months from the day any firing of shotpoints in 9 geophysical seismic exploration is done by any person, firm, 10 or corporation within this state, such person, firm, or 11 corporation shall file with the county clerk and recorder of 12 the county in which the work was done a record showing each 13 township and range within the county in which the work was 14 performed and the approximate date on which the work was 15 performed. 16 (2) Such person, firm, or corporation shall file with 17 the county clerk and recorder a record showing the location 18 of each shotpoint and date fired within a maximum area of 19 any square, 4-section area of land, upon written request of 20 the county clerk and recorder. The request must be based 21 upon the complaint of a property owner that physical damage 22 to his property has resulted from the use of the seismograph 23

24

25

1 request shall designate the name and address of the 2 complaining person and the approximate date and nature of 3 the alleged damages. The required record of operations in 4 response to the request of the county clerk and recorder 5 shall be supplied within  $\frac{10}{20}$  days from the date on which 6 the request is received."

7 Section 5. Section 82-11-122, MCA, is amended to read: "82-11-122. Notice of intention to drill or conduct R 9 seismic operations. It is unlawful to commence the drilling 10 of a well for oil or gas without first filing with the board 11 written notice of intention to drill and obtaining a drilling permit as provided in 82-11-134. It is unlawful to 12 13 conduct seismic explorations with-explosives without first 14 giving the board a copy of the notice of intention to explore filed with the county under 82-1-103." 15

16 NEW SECTION. SECTION 6. EXTENSION OF AUTHORITY. ANY
 17 EXISTING AUTHORITY OF THE BOARD OF OIL AND GAS CONSERVATION
 18 TO MAKE RULES ON THE SUBJECT OF THE PROVISIONS OF THIS ACT
 19 IS EXTENDED TO THE PROVISIONS OF THIS ACT.

-End-

-5-

and explosives in geophysical seismic operations at some

location within the maximum 4-square mile area, and the

SB 96

-6-

SB 0096/02

SENATE BILL NO. 96 1 2 INTRODUCED BY GAGE 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE 5 LAWS PERTAINING TO SEISMIC EXPLORATION APPLY TO EXPLORATION DONE BY MEANS OF NONEXPLOSIVES AS WELL AS EXPLORATION DONE 6 7 BY MEANS OF EXPLOSIVES; TO INCREASE FROM 10 TO 30 DAYS THE 8 TIME REQUIRED TO RESPOND TO A COUNTY CLERK AND RECORDER'S 9 REQUEST FOR A RECORD OF OPERATIONS: AMENDING SECTIONS 10 82-1-101, 82-1-104, 82-1-107, 82-1-108, AND 82-11-122, MCA." 11 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 82-1-101, MCA, is amended to read: 13 "82-1-101. Persons required to comply. (1) A person, 14 15 firm, or corporation operating individually or through 16 agents within the state of Montana for the purpose of geophysical seismic exploration in which exploration the 17 seismograph--is-utilized-along-with-explosives entry is made 18 19 upon the surface estate for the determination acquisition of geophysical data for any purpose whatsoever, and which 20 21 person, firm, or corporation either through its own 22 employees or by hiring the services of others operates 23 "seismograph crews", as the term is generally known, shall 24 comply with the following provisions of this part; provided, 25 however, that compliance with the provisions of this part by .

SB 0096/02

a seismograph crew or its employer shall constitute
 compliance herewith by that person, firm, or corporation who
 has engaged the services of such crew or its employer as an
 independent contractor insofar as the geophysical operations
 of such crew are concerned.

6 (2) The board of oil and gas conservation shall adopt
7 rules requiring adequate identification of geophysical
8 seismic exploration crews operating in this state and
9 designating areas where geophysical seismic exploration and
10 activities may not be allowed."

11 Section 2. Section 82-1-104, MCA, is amended to read: 12 "82-1-104. Surety bond -- restoration of surface. (1) 13 A Prior to performing such seismic activity, a person, firm, 14 or corporation desiring--to--engage--in--such--geophysical 15 exploration shall also file with the secretary of state a 16 good and sufficient surety bond in the amount of \$10,000 for 17 a single such geophysical seismic crew or a blanket surety 18 bond in the amount of \$25,000 for all such geophysical 19 seismic crews operating within the state for such person, 20 firm, or corporation, which bond shall indemnify the owners 21 of property within this state against such physical damages 22 to such property as may arise as the result of such 23 geophysical seismic exploration. Partial or complete 24 forfeiture of the bond must be determined by the appropriate 25 court of civil jurisdiction.

-2-

Montana Legislative Council

SB 96 REFERENCE BILL

SB 96

1

2

3

4

5

6

7

8

9

10

11

25

1 (2) Unless otherwise agreed as between the owner of 2 the surface and such person, firm, or corporation, it shall 3 be the obligation of such person, firm, or corporation upon completion of exploration to plug all "shot holes" in such 4 a manner as shall be specified by the board of oil and gas 5 conservation to contain any water within its native strata 6 7 by filling the hole with bentonite mud, or cement, or other material approved by the board of oil and gas conservation 8 9 as required to contain the water and capping the same in a 10 manner and with a material specified by the board, the top 11 of which cap shall be of sufficient depth below the surface of the land to allow cultivation. The portion of the hole 12 above the cap shall be filled with native material. 13

14 (3) The Upon completion of any seismic exploration, 15 the person, firm, or corporation shall remove all stakes, 16 markers, cables, ropes, wires, and debris or other material 17 used in such exploration and shall also restore the surface 18 around the-same any shot holes as near as practicable to its 19 original condition.

20 (3)(4) The bond shall remain on file with the 21 secretary of state so long as the exploration is carried on 22 or engaged in, plus an additional 5 years thereafter; 23 provided, however, that the aggregate liability of the 24 surety shall in no event exceed the amount of said bond. 25 Upon the filing of such bond, said secretary of state shall

-3-

issue to the person, firm, or corporation a certificate showing that such bond has been filed and showing the name of the designated resident agent within the state for service of process for such person, firm, or corporation." Section 3. Section 82-1-107, MCA, is amended to read: "82-1-107. Permit holder to furnish information to surface user. (1) Before commencing geophysical seismic activity, the person, firm, or corporation shall notify the surface user as to the approximate time schedule of the planned activity, and upon request the following information shall also be furnished: (1) the name and permanent address of the

12 (1)(a) the name and permanent address of the 13 geophysical seismic exploration firm, along with the name 14 and address of the firm's designated agent for the state if 15 different from that of the firm's;

16 (2)(b) evidence of a valid permit to engage in
 17 geophysical seismic exploration;

18 (3)(c) name and address of the company insuring the
 geophysical seismic firm or, if self-insured, evidence of
 such self-insurance;

21 (4)(d) the number of the bond required in 82-1-104;

22 (5)(e) a description of the-surface--areas--where the
 23 planned geophysical seismic activity and where it will take
 24 place;

(6)(f) anticipated need, if any, to obtain water from

-4-

### SB 0096/02

1 the surface user during planned geophysical seismic
2 activity.

3 (2) The surface user is responsible for providing the 4 permitholder with the name and permanent address of a 5 responsible person with whom communication may be 6 maintained."

Section 4. Section 82-1-108, MCA, is amended to read: 7 "82-1-108. Filing record of work performed. (1) Within 8 3 months from the day any firing of shotpoints in 9 geophysical seismic exploration is done by any person, firm, 10 or corporation within this state, such person, firm, or 11 corporation shall file with the county clerk and recorder of 12 the county in which the work was done a record showing each 13 township and range within the county in which the work was 14 performed and the approximate date on which the work was 15 performed. 16

(2) Such person, firm, or corporation shall file with 17 the county clerk and recorder a record showing the location 18 of each shotpoint and date fired within a maximum area of 19 any square, 4-section area of land, upon written request of 20 the county clerk and recorder. The request must be based 21 upon the complaint of a property owner that physical damage 22 to his property has resulted from the use of the seismograph 23 and explosives in geophysical seismic operations at some 24 location within the maximum 4-square mile area, and the 25

request shall designate the name and address of the complaining person and the approximate date and nature of the alleged damages. The required record of operations in response to the request of the county clerk and recorder shall be supplied within 10 30 days from the date on which the request is received."

7 Section 5. Section 82-11-122, MCA, is amended to read: "B2-11-122. Notice of intention to drill or conduct 8 9 seismic operations. It is unlawful to commence the drilling 10 of a well for oil or gas without first filing with the board 11 written notice of intention to drill and obtaining a 12 drilling permit as provided in 82-11-134. It is unlawful to 13 conduct seismic explorations with-explosives without first 14 giving the board a copy of the notice of intention to explore filed with the county under 82-1-103." 15

16 NEW SECTION. SECTION 6. EXTENSION OF AUTHORITY. ANY

17 EXISTING AUTHORITY OF THE BOARD OF OIL AND GAS CONSERVATION

18 TO MAKE RULES ON THE SUBJECT OF THE PROVISIONS OF THIS ACT

19 IS EXTENDED TO THE PROVISIONS OF THIS ACT.

-End-

SB 96